

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,

Debtors.

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

In re

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP)

**ADDENDUM 3 TO POST-TRIAL
MEMORANDUM OF BARCLAYS CAPITAL INC.**

**DEFINITION OF KEY TERMS IN THE
POST-TRIAL SUBMISSIONS OF BARCLAYS CAPITAL INC.**

BOIES, SCHILLER & FLEXNER LLP
575 Lexington Avenue
New York, NY 10022
Telephone: (212) 446-2300
Facsimile: (212) 446-2350

Attorneys for Barclays Capital Inc.

November 22, 2010

1. “15c3-3 Assets” or “15c3 Assets” refers to any assets that LBHI and LBI agreed to transfer to Barclays from LBI’s 15c3-3 account, including those ultimately referenced in paragraph 8(ii) of the Clarification Letter.
2. “Alvarez” or “A&M” refers to Alvarez & Marsal, financial and restructuring advisors to and officers of the Debtor.
3. “Asset Purchase Agreement” or “APA” refers to the Asset Purchase Agreement, dated as of September 16, 2008, among LBHI, LBI, LB 745 LLC, and Barclays (BCI Ex. 1).
4. “Barclays” or “BCI” refers to Barclays Capital Inc.
5. “Berkenfeld Schedule” refers to the September 16, 2008 financial schedule initialed by Steven Berkenfeld (BCI Ex. 106).
6. “BoNY” or “BONY” refers to The Bank of New York Mellon Corporation.
7. “Clarification Letter” refers to the letter agreement dated as of September 20, 2008, addressed from Barclays to LBHI, LBI, and LB 745 LLC, Attn. Steven Berkenfeld, Esq., executed on September 22, 2008 (BCI Ex. 5).
8. “Clearance Box Assets” refers to the securities and other assets held in LBI’s ‘clearance boxes’ as of the time of the Closing, as referenced in paragraph l(a)(ii)(B) of the Clarification Letter.
9. “Cleary Gottlieb” refers to Cleary, Gottlieb, Steen & Hamilton LLP, counsel for Barclays.
10. “Closing” refers to the closing of the Sale that occurred on the morning of September 22, 2008.
11. “Closing Argument” or “Closing Arguments” refers to the presentations to the Court by LBHI, the Trustee, the Committee, and Barclays on October 21, 2010.
12. “COL” refers, individually or collectively, to Barclays’ Proposed Conclusions of Law dated November 22, 2010 and included in its Post-Trial Submissions.
13. “Complete Trial Record” refers collectively to the transcripts of each day of trial testimony, the transcripts of designated deposition testimony, and all exhibits admitted into evidence, as part of the evidentiary hearings conducted in this proceeding.
14. “Creditors’ Committee” or “Committee” refers to the Official Committee of Unsecured Creditors of LBHI.
15. “December 2008 Settlement” or “December Settlement” refers to the transaction in which assets and cash were transferred to Barclays as a result of the December 2008 Settlement Agreement entered into between Barclays, JPMorgan, and the Trustee and approved by the Court on December 22, 2008.

16. "December 2008 Settlement Agreement" refers to the Settlement Agreement dated December 5, 2008 between J.P. Morgan Chase Bank, N.A., Barclays, and the Trustee (BCI Ex. 9).
17. "Deloitte" refers to Deloitte LLP, financial advisor to the Trustee.
18. "Disputed Assets" refers to the Clearance Box Assets, the ETD Margin Deposits, and the 15c3-3 Assets, collectively.
19. "DTC" refers to the Depository Trust Company.
20. "DTCC" refers to the Depository Trust & Clearing Corporation, including its subsidiaries and affiliated clearing corporations.
21. "DTCC Letter" refers to the letter agreement dated as of September 22, 2008 between the DTCC, Barclays, and the Trustee (BCI Ex. 6).
22. "ETD Margin," "ETD Margin Deposits," "ETD collateral," or "Margin" refers to any property, whether in the form of securities, cash, or any other form, posted by or on behalf of LBI, whether as margin, guaranty or clearing fund deposits, or any other form, in relation to the ETDs.
23. "Exchange-traded derivatives," "ETDs," "ETD positions," "Exchange-traded options," or "futures" refers to LBI's exchange traded derivatives, and which are inextricably linked with, inseparable from, and cannot be transferred without, the ETD Margin, and which are encompassed by section 1(a)(ii)(C) of the Clarification Letter.
24. "Fed," "New York Fed," or "NY Fed" refers to the Federal Reserve Bank of New York.
25. "Fed Replacement Transaction," "Fed Repo Replacement Transaction," or "Repo" refers to the transaction by which Barclays replaced the New York Fed's funding of LBI funding by advancing \$45 billion on September 18, 2008.
26. "Fed Repo Collateral," "Fed Repo Portfolio," "Fed Portfolio," or "Fed Facility" refers to the collateral pledged to the New York Fed on September 17, 2008.
27. "FOF" refers, individually or collectively, to Barclays' Proposed Findings of Fact dated November 22, 2010 and included in its Post-Trial Submissions.
28. "FTI" refers to FTI Consulting, Inc., financial advisor to the Creditors' Committee.
29. "GFS" refers to the Global Funding System, a Lehman-developed data warehouse that served as the primary system by which Lehman tracked financing requirements and capabilities, tracked and reported securities and the marks on those securities in Lehman's custody by legal entity, and reported legal entity balance sheet amounts for Lehman's financial assets to the Lehman corporate general ledger.

30. “Houlihan” or “Houlihan Lokey” refers to Houlihan Lokey Howard & Zukin Capital Inc., financial advisor to the Creditors’ Committee.
31. “Hughes Hubbard” or “HHR” refers to Hughes Hubbard & Reed, LLP, counsel for the Trustee.
32. “JPM,” “JPMC,” or “JPMorgan” refers to JPMorgan Chase & Co.
33. “Lazard” refers to Lazard Ltd., financial and restructuring advisor to the Debtor.
34. “LBHI” or “Debtor” refers to Lehman Brothers Holding Inc.
35. “LBI” refers to Lehman Brothers Inc., a subsidiary of LBHI and a Securities and Exchange Commission (“SEC”)-registered broker-dealer.
36. “Lehman” refers to LBHI and LBI, collectively (unless the context makes clear that it is intended to apply more broadly or more narrowly).
37. “Long Positions” shall be used to refer to the same assets identified in the APA’s definition of Long Positions (in subsection (d) of the definition of Purchased Assets), except where specifically explained otherwise.
38. “Milbank” refers to Milbank Tweed Hadley & McCloy LLP, counsel for the Creditors’ Committee.
39. “Movants” refers to LBHI, the Trustee, and the Creditors’ Committee, collectively.
40. “Movants’ Rule 60(b) Briefing” refers collectively to Movants’ Rule 60(b) briefs and reply briefs.
41. “Purchase Agreement” refers to the Asset Purchase Agreement, dated September 16, 2008, among the Debtors, Lehman Brothers Inc. and Barclays Capital, Inc., collectively with that First Amendment Clarifying Asset Purchase Agreement dated September 19, 2008 and the Clarification Letter.
42. “PWC” or “PwC” refers to PricewaterhouseCoopers LLP, Barclays’ independent auditor.
43. “Repo Collateral” refers to the collateral actually transferred to Barclays as part of the Fed Replacement Transaction, including those assets transferred in the December 2008 Settlement.
44. “Sale” or “Sale Transaction” refers to the transaction in which assets were transferred to and liabilities were assumed by Barclays pursuant to the Purchase Agreement.
45. “Sale Hearing” refers to the September 19, 2008 hearing during which the Court considered the Sale Motion.
46. “Sale Motion” refers to the September 17, 2008 Motion to (A) Schedule a Sale Hearing; (B) Establish Sales Procedures; (C) Approve a Break-up Fee; and (D) Approve the Sale of the

Purchased Assets and the Assumption and Assignment of Contracts Relating to the Purchased Assets (BCI Ex. 11).

47. “Sale Order” or “Sale Orders” refers collectively to the Court’s (i) Order Under 11 U.S.C. §§ 105(a), 363, and 365 and Federal Rules of Bankruptcy Procedure 2002, 6004 and 6006 Authorizing and Approving (A) the Sale of Purchased Assets Free and Clear of Liens and Other Interests and (B) Assumption and Assignment of Executory Contracts and Unexpired Leases, dated September 20, 2008, and (ii) Order Approving, and Incorporating by Reference for the Purposes of this Proceeding, an Order Authorizing the Sale of Purchased Assets and Other Relief in the Lehman Brothers Holdings Inc. Chapter 11 Proceeding (BCI Exs. 16 and 17).
48. “Simpson Thacher” refers to Simpson Thacher & Bartlett, LLP, counsel for the Debtor.
49. “TAA” refers to the Transfer and Assumption Agreement entered into as of September 20, 2008 among LBI, Barclays and the Options Clearing Corporation (“OCC”) (BCI Ex. 3).
50. “Trustee” refers to James W. Giddens, Trustee for LBI appointed by the Securities Investor Protection Corporation (“SIPC”) pursuant to the Securities Investors Protection Act (“SIPA”).
51. “Undelivered Assets” refers to those Disputed Assets that have not yet been delivered to Barclays by Seller (as that term is defined in the APA).
52. “Weil Gotshal” or “Weil” refers to Weil Gotshal & Manges LLP, counsel for the Debtor.